

Message Text

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44

ACTION ARA-20

INFO OCT-01 ISO-00 SPC-03 AID-20 EB-11 NSC-10 RSC-01

CIEP-02 TRSE-00 SS-20 STR-08 OMB-01 CEA-02 CIAE-00

COME-00 FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12 LAB-06

SIL-01 L-03 H-03 DRC-01 /144 W

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P 231047Z OCT 73

FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC PRIORITY 6265

CONFIDENTIAL SANTIAGO 5139

E.O. 11652: GDS

TAGS: EFIN, CI

SUBJECT: GOC MAKES PROGRAM IN FINANCING BOP GAP

PASS OPIC AND EXIMBANK

1. ORLANDO SAENZ AND RICARDO CLARO HAVE TOLD US IN SEPARATE CONVERSATIONS THAT THEY ARE VERY PLEASED WITH RESULTS OF RECENT CHILEAN ATTEMPTS IN U.S. TO GET FINANCING TO COVER ANTICIPATED BOP GAP DURING NEXT 6-9 MONTHS OF APPROXIMATELY \$500 MILLION. THEY SAID \$168 MILLION HAS DEFINITELY BEEN PLEDGED SO FAR. THIS INCLUDES LINES OF CREDIT FROM MANUFACTURERS HANOVER, IRVING TRUST, NATIONAL BANK OF ILLINOIS, BANKERS TRUST, PHILADELPHIA BANK, FIDELITY, FNCB, CHASE MANHATTAN, ROYAL BANK OF CANADA, SHRODERS, AND BANK OF NOVA SCOTIA. THEY SAID ANOTHER \$135 MILLION IN CREDITS ARE WELL ON TRACK, NOT INCLUDING \$40 MILLION WHICH FNCB MIGHT EXTEND IF BACKED BY GOC GOLD PLEDGE, \$40 MILLION BY CHASE MANHATTAN IF COPPER SHIPMENTS PLEDGED, NOR \$35 MILLION FROM BANK OF AMERICA FOR "SPECIAL PROJECTS."

2. CLARO ESTIMATES THAT ADDED PROSPECTS ARE \$90 MILLION FROM IMF STANDBY, \$10 MILLION FROM IDB FROM EXISTING LOANS, \$10 MILLION FROM IFC FOR TECHNICAL ASSISTANCE, \$24 MILLION CCC WHEAT (ALREADY EXTENDED), LOANS FROM EUROPEAN AND JAPANESE

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BANKS, AND PERHAPS \$50 MILLION EACH FROM BRAZIL AND ARGENTINA.

3. RE DISCUSSIONS WITH EXIMBANK PRESIDENT SAUER IN WASHINGTON, CHILEAN DESCRIBED RESULTS AS POSITIVE. GOC MAY ASK FOR BILATERAL NEGOTIATIONS IN 1971-72 DEBTS IN NOVEMBER AND AGREE TO SOME PAYMENTS AS SIGN OF REESTABLISHED CREDITWORTHINESS. SAENZ AND CLARO SAID THEY UNDERSTOOD THAT EXIM WOULD THEN BE PREPARED CONSIDER NEW LOAN AND EXPORT GUARANTEE REQUESTS, PARTICULARLY FOR SPARE PARTS FOR COPPER MINES. ON SAME SUBJECT, GENERAL NUNO, HEAD OF CORFO, ALSO RAISED QUESTION WITH ME YESTERDAY OF EXIMBANK FINANCING FOR BADLY NEEDED SPARE PARTS.

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Message Attributes

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